

Salisbury, North Carolina
May 21, 2019

REGULAR MEETING

PRESENT: Council Member Karen Alexander Presiding; Council Members William Brian Miller and Tamara Sheffield; City Manager W. Lane Bailey; City Clerk Diane Gilmore, and City Attorney J. Graham Corriher.

ABSENT: Mayor Al Heggins and Mayor Pro Tem David Post.

Thereupon, Councilmember Sheffield made a **motion** to appoint Councilmember Alexander as Chair of the Council meeting. Seconded by Councilmember Miller. Councilmembers Alexander, Miller, and Sheffield voted AYE. (3-0)

Salisbury City Council met in Council Chambers in City Hall located at 217 South Main Street. The meeting was called to order by Councilmember Alexander at 6:00 p.m.

PLEDGE OF ALLEGIANCE

Councilmember Alexander led those present in the Pledge of Allegiance to the United States flag.

ADOPTION OF THE AGENDA

Thereupon, Councilmember Miller made a **motion** to adopt the Agenda as presented. Councilmembers Alexander, Miller, and Sheffield voted AYE. (3-0)

CONSENT AGENDA

(a) Minutes

Adopt Minutes of the Regular Meeting of April 16, 2019.

(b) Contract – Longhorn Roofing, LLC.

Authorize the City Manager to execute an agreement with Longhorn Roofing, LLC. in the amount of \$132,000 for roofing services associated with the 218 West Cemetery Street Roofing project. This project is included in the Capital Improvement Plan (CIP).

(c) Easement – Shared Driveway

Authorize the City Manager to approve an easement over Parcel 040-004, adjacent to Mocksville Avenue, for a shared driveway.

(d) Easement – Parcel 020-051 for AT&T maintenance

Approve an easement to AT&T on Parcel 020-051, adjacent to Grove Street, to allow for maintenance of two existing cabinets.

Thereupon, Councilmember Miller made a **motion** to adopt the Consent Agenda as presented. Councilmembers Alexander, Miller, and Sheffield voted AYE. (3-0)

PUBLIC COMMENT

Councilmember Alexander opened the floor to receive public comments.

Mr. Richard Reinholz commented he would like to see the tennis courts remain and the City install six pickleball courts. He stated the sport of pickleball continues to grow throughout the country, and he added pickleball courts would be a great attraction for the retirement community.

Ms. Melissa Utley stated she does not believe City Park is a good location for pickleball tournaments, and she added she believes West End Plaza would be an ideal area to install pickleball courts.

Ms. Nancy Eason expressed there is a need for better tennis courts in Salisbury, and if the funds are available she supports resurfacing the tennis courts and sharing space with pickleball players. She pointed out a majority of tennis players play pickleball.

Ms. Penny Roamer commented she would like to see the six public tennis courts at City Park saved and restored to better conditions.

Mr. Mike Rimmer commented older adults are transitioning to pickleball from playing tennis, and he added it would be great if the City could designate a pickleball court with a permanent net.

Ms. Libby Post shared she has to transport a pickleball net to the tennis courts each time she plays. She stated Hall Gym offers indoor pickleball on three courts, three days a week, and she added there is room for pickleball and tennis at City Park.

Mr. Jeff Saleeby commented he believes keeping the six tennis courts at City Park is a good idea because it attracts players, and he suggested adding six pickleball courts.

Mr. Alan Lambert suggested dedicated pickleball courts would attract more players to Salisbury. He noted he would not want to alter the tennis courts to the point where they could not function as tennis courts in the future.

Mr. Neil Tucker stated he relocated to Salisbury for his work and would like the City to offer a place to play pickleball.

Ms. Mary James commented she has researched pickleball and how the sport is implemented in surrounding areas. She stated she hopes there will be an opportunity for public input at the next meeting after the Parks and Recreation Department presents information on the pickleball courts.

Ms. Shirley Price shared youth in Salisbury need to be considered because they are playing tennis. She stated she likes pickleball, but it should not be implemented at the expense of the tennis courts at City Park.

Mr. Peter Wong stated he has an impact on Salisbury's economy because he plays pickleball and utilizes Salisbury's amenities and businesses. He commented several people on his pickleball team are from out of town.

Mr. Donald Griffin stated pickleball helps to keep people active.

Mr. Jack Goodman commented he believes if the tennis courts are converted to include pickleball there would be enough room to play tennis and the courts need to be resurfaced.

Ms. Karen Brown commented she plays pickleball throughout the piedmont triad and believes pickleball could benefit everyone in the City.

Ms. Carol Hay indicated she would like an outdoor pickleball facility, and she noted pickleball is being taught in schools in the northern area of the United States.

Mr. Jon Post stated he is a Parks and Recreation Advisory Board member and knows there are no funds available to create a pickleball facility. He commended Parks and Recreation Director Nick Aceves for being aware of pickleball and the associated budget concerns.

Ms. Liz Tennent shared her concerns about the community's need for pickleball, and she noted there needs to be further discussion regarding the community's needs.

Ms. Carol Hallman commented there is a need to have tennis courts in the community for the youth.

There being no one else to address Council, Councilmember Alexander closed the public comment session.

ANALYSIS OF IMPEDIMENTS 2019 REPORT

Human Relations Director Anne Little introduced Centralina Council of Governments (CCOG) Assistant Director of Community and Economic Development Ms. Victoria Avramovic.

Ms. Avramovic presented Council with an updated 2019 Analysis of Impediments (AI) to Fair Housing Choice, and she noted the City's last AI was completed in 2014. She noted the AI is a requirement by the United States Department of Housing and Urban Development (HUD). She noted grantees are required to annually certify that they will affirmatively further Fair Housing by demonstrating and implementing housing policies and programs in a non-discriminatory manner. She explained there are different ways a grantee can fulfill federal agency requirements such as preparing an AI, developing strategies to resolve or remove impediments, and documenting efforts in the Consolidated Annual Performance and Evaluation Report (CAPER) submitted to HUD every year for Community Development Block Grant (CDBG) funds.

Ms. Avramovic indicated the AI is completed in correlation with the Federal Fair Housing Act and the North Carolina Fair Housing Act. She explained the Fair Housing Act protects citizens from discrimination in all housing transactions such as rental or purchase. She stated the North Carolina Fair Housing Act is similar to the federal act but includes prohibiting discrimination of affordable housing placement.

Ms. Avramovic commented the AI is a review of public and private policies and practices to ensure the policies do not hinder or create barriers for citizens. She added the AI includes the five-year Fair Housing Action Plan to help address any barriers that may be identified. She added the AI also helps fair housing planning to determine how funds are spent.

Ms. Avramovic stated staff received a lot of input from secondary data and by reviewing current plans, and she noted public input was received through interviews, meetings, focus groups, and a community survey. She clarified research and engagement helps make recommendations and provide strategies to the Action Plan for the barriers that were found in the Executive Summary in the AI.

Ms. Avramovic presented five impediments to the Fair Housing Choice and 24 recommended strategies to help remove barriers in the community. She stated the first impediment identified the lack of formalized structure for a local fair housing system. She noted the second impediment identified an insufficient supply of adequate and affordable housing to meet the

growing needs of low and moderate income residents. She stated the third impediment identified public transportation limitations which reduced housing choices for low-to-moderate and special needs population. She provided the fourth impediment showed a need for housing to accommodate special populations. She stated the fifth impediment indicated a reduction in homeownership opportunities for racial and ethnic minorities because of mortgage lending practices.

Ms. Avramovic stated the most valuable component of the report is the Action Plan. She indicated the Action Plan would provide goals and strategies to affirmatively further fair housing choices over the next five years. She stated the strategies will help build current programs and working groups. She mentioned the Action Plan should be continuously updated as things change and include information into the annual report that is submitted to HUD.

Ms. Avramovic indicated a 30-day public comment period will begin Monday, May 26, 2019 through June 25, 2019. She noted the document will be available online and hard copies will be available upon request and placed in public areas. She stated a public hearing will be held at Council's June 4, 2019 meeting. She stated once the public comment period and the public hearing is complete, staff will provide a document for Council's final approval and submit the document to HUD by July 19, 2019.

Councilmember Sheffield asked if improvements and should be submitted to HUD as they are identified. Ms. Avramovic commented each year the City submits a CAPER to HUD that includes a section of data for the City's fair housing goals and details of what was completed within that year.

Councilmember Sheffield asked if the AI is updated every five years. Ms. Avramovic agreed, and she added the City reports annually. She noted the annual report is completed by staff and presented to Council for its review which includes a public comment period.

Councilmember Alexander asked how long the City has been involved in the AI process. Ms. Avramovic stated the City has received funds for over a decade and may have been involved since the 1970s. Councilmember Alexander asked if this is a new process for the City. Ms. Avramovic stated the process is not new and was completed a year prior to the five-year consolidated plan for the CDBG program.

Councilmember Sheffield asked if there are plans to include certain protected classes such as marital status, student, sexual orientation, income, and age that are not included in the protected classes related to housing. Ms. Avramovic commented if North Carolina was a home rule State the protected class would need to be approved, however through this program protected classes can be protected by practice without a policy or Ordinance. She clarified anyone who has the appearance of being discriminated against is a protected class, and she provided an example of adults who are re-entering into society after incarceration.

Councilmembers thanked Ms. Avramovic for her work on the AI.

UPDATE – SALISBURY-ROWAN UTILITY PROJECTS AND RESOLUTIONS

Assistant Utilities Director Jason Wilson addressed Council regarding Salisbury-Rowan Utilities (SRU) project updates. He stated the meter change-out project related to the Advanced Metering Infrastructure (AMI) implementation is now complete, and he added there are currently 21,306 meters in operation. He presented an overview of the Advanced Metering Analytics (AMA) and noted the department is very pleased with the systems. He pointed out a free web-based customer service tool, EyeOnWater, and he added there are currently 282 customers registered. City Manager Lane Bailey commented he has received positive feedback from customers who use the web-based customer service tool.

Mr. Wilson reviewed a District Metered Area (DMA) that indicated the gallons per minute consumption from master meters and customer meter readings. He pointed out there is twice as much flow through the master meters as there are through the summation meter. He indicated the DMA can be monitored to detect leaks, and he added it could cost more to search for a leak rather than to make a repair.

Councilmember Miller asked why there are certain times when more leakage is detected. Mr. Wilson commented there is lower water usage during nighttime hours, and he clarified when people are not using water, pressure increases which makes it easier to detect leakages.

Councilmember Sheffield asked for clarification regarding master meters and customer meters. Mr. Wilson provided an example for apartment complexes because they have a master meter connected to the main water line and then individual meters provide usage readings for each tenant in the apartment complex and those individual meters are referred to as customer meters.

Mr. Wilson stated SRU project's budget of \$7.2 million was authorized by Council in 2016. He noted the department is under budget at \$6.24 million.

Mr. Wilson commented Council requested more information regarding return on investment, and he noted there were challenges due to customers moving in and out of residences and it is difficult to determine a usage pattern. He noted China Grove meters were not included in the analysis. He presented a consumption analysis of 2016 versus 2019, and he noted there has been an overall 4.2% growth based on the data from residential meters in the China Grove pilot project. He commented the 2019 consumption percentage had 10% growth.

Councilmember Miller asked about the return on the AMA project. Mr. Wilson stated it is estimated at 8.7%, and he noted the project is ahead of schedule. Councilmember Miller asked if SRU borrowed money for the project. SRU Director Jim Behmer stated the funds were saved and the replacement of meters was prolonged so meters could be replaced at one time in a shorter time frame than expected.

Mr. Wilson discussed the modular floating reservoir covers project approved by Council two years ago. He noted the project's installation was completed in 2017. He provided photographs of two water reservoirs located on Ridge Road, and he added the reservoirs are almost completely covered with 2.5 million of the floating reservoir balls. He stated the balls cost

approximately \$500,000. Mr. Wilson commented the balls are used to slow the evaporation process and shade sunlight to prevent algae growth to help cut chemical cost. Mr. Wilson provided data that indicated the shade balls have completely eliminated the need for algae chemicals which cost \$60,000 in 2016 and \$50,000 in 2017. He stated he believes there has been a great payback on the shade ball investment.

Councilmember Miller asked about the life expectancy of the shade balls. Mr. Wilson stated there is a 20-year life cycle, and the department will work on implementing a replacement plan into its budget.

Mr. Wilson presented Council with the Water and Wastewater Asset Inventory and Assessment (AIA) grant approved by Council. He noted the goal of the grant was to select and implement an assets management system for both water and wastewater assets. He stated the department is issuing work orders and plant maintenance and is collecting a large amount of data that can help the department prioritize future projects. He stated staff has implemented a criticality matrix that has helped organize the likelihood and consequences of failure. He clarified the asset management correlates with the Capital Improvement Plan (CIP) because data will help drive future rehabilitation and the replacement schedule of equipment. He noted there are placeholders on asset management contingency for predetermined water and wastewater projects.

Mr. Wilson commented the grants for water and wastewater projects are in their final stages and ready to be closed, and he noted two Resolutions are required that confirm the completed projects have been presented to Council.

Thereupon, Councilmember Miller made a **motion** to adopt a Resolution confirming the completed water asset inventory and assessment grant project has been presented to City Council. Councilmembers Alexander, Miller, Sheffield voted AYE. (3-0)

RESOLUTION CONFIRMING THE COMPLETED WATER ASSET INVENTORY AND ASSESSMENT GRANT PROJECT HAS BEEN PRESENTED TO CITY COUNCIL.

(The above Resolution is recorded in full in Resolution Book No. 16 at Page No. 12, and is known as Resolution 2019-09.)

Thereupon, Councilmember Miller made a **motion** to adopt a Resolution confirming the completed wastewater asset inventory and assessment grant project has been presented to City Council. Councilmembers Alexander, Miller, and Sheffield voted AYE. (3-0)

RESOLUTION CONFIRMING THE COMPLETED WASTEWATER ASSET INVENTORY AND ASSESSMENT GRANT PROJECT HAS BEEN PRESENTED TO CITY COUNCIL.

(The above Resolution is recorded in full in Resolution Book No. 16 at Page No. 13, and is known as Resolution 2019-10.)

RECESS

Councilmember Miller made a **motion** to take a recess and all Councilmembers in attendance agreed unanimously to recess.

The meeting reconvened at 7:29 p.m.

CITY ATTORNEY'S REPORT

City Attorney Graham Corriher indicated he had nothing to report to Council.

CITY MANAGER'S REPORT

City Manager Lane Bailey congratulated Councilmember Alexander for being elected second vice-chair of the North Carolina League of Municipalities (NCLM).

Mr. Bailey recognized staff and the volunteers who helped with the Cheerwine Festival. He stated he received a lot of positive feedback, and he commended Parks and Recreation Director Nick Aceves, Event Coordinator Vivian Koontz and the entire department. He pointed out the street cleanup after the festival was excellent.

Councilmember Alexander stated she heard 50,000 people attended the Cheerwine Festival. Mr. Bailey commented staff believes it was between 50,000 and 60,000 people and attendance is hard to measure. He pointed out the *Smithsonian Magazine* recognized Salisbury's Cheerwine Festival as one of the top festivals in the South.

Councilmember Miller thanked all the sponsors that helped make the event a success.

(a) Proposed FY2019-2020 Budget

City Manager Lane Bailey pointed out the County conducted a property revaluation that provided an increase in property values, but significant projects and increased personnel costs have required use of the projected growth in revenue. He stated salaries for the Police Department and the Public Services Department were increased to make positions in those departments market competitive. He noted there were staffing increases for the Fire Department because of the future fire station. He commented there have been challenges filling positions in the Public Services Department, but increased wages has helped.

Mr. Bailey commented this will be the first of four mandated increases in the City's contribution into the local government retirement system.

Mr. Bailey stated the City will be in its first year of the lease with Hotwire Communications, and he noted staff remains positive that the lease will improve the financial condition of the General Fund. He noted there was a \$600,000 reduction in the Broadband Fund.

Mr. Bailey noted because of the recent property revaluation raising the value of the tax base he recommends a rate of \$0.7127, a slight decrease from the current rate of \$0.7196. He commented the rate will be above what the revenue neutral rate would be, but will compensate for last year's tax billing transposition and increased personnel cost. He stated the City Attorney and the University of North Carolina of Chapel Hill (UNC) School of Government (SOG) are pleased with the way the City has chosen to account for the billing error.

Mr. Bailey commented he recommends a cost-of-living adjustment (COLA) increase of 1.6% that is reflected in the Consumer Price Index and a merit increase of 1.4% in order to be competitive and to recognize and retain quality employees. He stated the Fund Balance is currently at approximately 35% and is well above the Local Governments Commission (LGC) minimum requirement of 8%. He noted as a result of the strong Fund Balance the City is able to make appropriations and hopes to have revenues exceed expenditures throughout the new fiscal year.

Mr. Bailey pointed out there has been a challenge with solid waste world-wide due to the instability of the increased recycling market. He stated he recommends an increased rate for residential and commercial curbside collection to help compensate increased expenses.

Mr. Bailey noted the Municipal Service District (MSD) was affected by the County's revaluation, and he recommends keeping a revenue neutral rate to promote substantial projects such as the Empire Hotel.

Mr. Bailey pointed out the Salisbury-Rowan Utilities (SRU) Department provided a great report, and he is very proud of the staff and the work they do. He noted SRU is the greatest economic development tool the area has. He indicated there are several SRU projects underway for the Grant Creek Wastewater Treatment Facility and the Crane Creek Sewer Lift Station. He stated the Advanced Metering Infrastructure (AMI) is completed and continues to eliminate inflow and infiltration (I&I). He explained I&I is when ground and stormwater enter sewer pipes creating more water than wastewater which increases overflow and operating expenses. He recommended a 1.6% water and sewer increase based on the Consumer Price Index for urban consumers for the South Region (CPI-U). He stated a customer can expect to see a \$1.11 per month increase.

Mr. Bailey indicated Council previously approved stormwater fee adjustments for residential customers and the adjustments have worked well. He commented one of the larger stormwater projects included in the proposed budget is for the Sunset Drive improvement projects in the amount of \$227,000. He noted there are sufficient funds available because of the fee adjustments made in the previous year, and he stated he does not recommend any rate change for the fund.

Mr. Bailey stated in addition to the decreased amount in the General Fund for Fibrant there continues to be an appropriation of funds to repay the SRU inter fund loan. He noted there is a \$300,000 principal debt payment with a 1% interest payment.

Mr. Bailey stated there is an additional increase of \$285,742 in the General Fund for the Transit Department, and he noted the total contribution is \$633,564 this year. He commented a Transit Master Plan was completed, and he recommended Council discuss Transit routes and the areas served especially for services to extend beyond corporate limits.

Mr. Bailey thanked the Management Team for the work they do for the City and pointed out the budget has been challenging. He commended Finance Director Shannon Moore and Senior Management Analyst Anna Bumgarner for their work on the budget.

Thereupon, Councilmember Miller made a **motion** to set a public hearing for Tuesday, June 4, 2019 to receive comments regarding the fiscal year 2019-2020 proposed budget. Councilmembers Alexander, Miller, and Sheffield voted AYE. (3-0)

Thereupon, Councilmember Miller made a **motion** to set a budget workshop on Tuesday, June 11, 2019 at 10:30 a.m. located at 1 Water Street. Councilmembers Alexander, Miller, and Sheffield voted AYE. (3-0)

ANNOUNCEMENTS

Communications Director Linda McElroy announced the Parks and Recreation Department will hold Movies in the Park on Friday, May 31, 2019 at City Park. She noted the movie, Incredibles 2, will begin at 9:00 p.m. She stated concessions will be available for purchase and to bring a blanket or a chair and enjoy fun family time. She announced the event is free and open to the public. She stated for more information, please call (704) 216-PLAY.

Communications Director Linda McElroy announced Downtown Salisbury Inc. will host a celebration of art on Friday, June 21, 2019 from 5:00 p.m. until 9:00 p.m. in the downtown area. She stated artists will set up on the sidewalk alongside participating downtown businesses to showcase and demonstrate their art. She noted there will be live music, downtown gallery tours, and activities for children.

COUNCIL COMMENTS

Councilmember Sheffield commended staff and the volunteers who helped during the Cheerwine Festival.

Councilmember Sheffield stated the Spring Spruce Up week event was held the week before the Cheerwine Festival with great participation, and she asked people to pick up trash to throw away.

Councilmember Sheffield commended the passion that pickleball and tennis players have for the sport, and she stated she looks forward to working toward a solution.

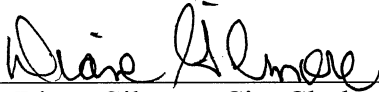
Councilmember Alexander thanked staff, volunteers, and citizens who participated in the Cheerwine Festival. She commended the Housing Advocacy Commission and the Community Appearance Commission for helping clean up the City before the Festival.

ADJOURNMENT

Motion to adjourn the meeting was made by Councilmember Sheffield. Seconded by Councilmember Miller. All Council members in attendance agreed unanimously to adjourn. The meeting was adjourned at 7:48 p.m.



Al Heggins, Mayor



Diane Gilmore, City Clerk